

Message Text

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PAGE 01 REYKJA 00815 161420Z

ACTION EUR-12

INFO OCT-01 ISO-00 ABF-01 PA-02 PRS-01 L-03 AID-05
CEA-01 CIAE-00 COME-00 EB-07 EA-09 FRB-01 INR-07
IO-14 NEA-10 NSAE-00 USIA-15 OPIC-06 SP-02
TRSE-00 LAB-04 EPG-02 SIL-01 OMB-01 XMB-04 AGR-01
/110 W

-----170114Z 092813 /70

R 161230Z JUN 77

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC 7378

INFO CINCLANT

COMICEDEFOR

USMISSION NATO

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

UNCLAS REYKJAVIK 0815

USOECD

USEEC

DEPART FOR EUR/NE, EUR/EX, A/BF

E.O. 11652: N/A

TAGS: ABUD, ELAB, ECON, IC

SUBJECT: LABOR TALKS - PAY INCREASE ISSUE RESOLVED; SOME ISSUES
REMAIN

REF: REYKJAVIK 0807

1. FOLLOWING 30-HOUR NEGOTIATING SESSION JUNE 14-15

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ICELAND FEDERATION OF LABOR AND EMPLOYERS FEDERATION
AGREED ON PAY INCREASE OF 32,000 IKR. (\$165) MONTHLY.
OF THIS AMOUNT 18,000 IKR. (\$93) IS DUE IMMEDIATELY;
5,000 IKR. (\$26) TO BE PAID DECEMBER 1, 1977 AND JUNE 1,
1978; 4,000 IKR. (\$20) ON SEP 1, 1978. AGREEMENT
EXPIRES DECEMBER 1, 1978.

2. NEGOTIATORS MEET AGAIN TODAY TO TAKE UP SPECIAL DEMANDS (FRINGE BENEFITS) FOR SKILLED WORKERS. MEANWHILE TODAY'S STRIKE FOR OFFICE AND STORE WORKERS HAS BEEN POSTPONED UNTIL MONDAY, EASING PRESSURE ON ICELANDERS STOCKING UP FOR LONG WEEKEND (FRIDAY, JUNE 17 IS INDEPENDENCE DAY AND A HOLIDAY). OVERTIME BAN CONTINUES. BECAUSE YESTERDAY'S STRIKE INCLUDED PRINTERS THERE ARE NO NEWSPAPERS TODAY AND HENCE NO PUBLIC COMMENT OR ASSESSMENT OF INFLATIONARY IMPACT OF INCREASE.

3. TERMINATION DATE OF AGREEMENT FALLS WELL AFTER NEXT SUMMER'S ELECTIONS AND MAIN CONCERN OF PRESENT ADMINISTRATION, ESPECIALLY INDEPENDENCE PARTY, REMAINS INFLATIONARY EFFECT. SENIOR GOVERNMENT OFFICIAL TOLD EMBASSY YESTERDAY THAT 18-MONTH AGREEMENT WAS BEST THAT COULD BE EXPECTED DESPITE EMPLOYERS FEDERATION PROPOSAL FOR TWO YEAR AGREEMENT. ALTHOUGH AGREEMENT HAD NOT BEEN CONCLUDED YET, THIS OFFICIAL VENTURED OPINION THAT EVEN AN AGREEMENT WHICH DID NOT INCREASE INFLATION RATE, BUT RATHER KEPT IT AT THE 30 PER CENT LEVEL WOULD BE LOOKED ON BY CONCERNED ICELANDERS AS A CONSIDERABLE SETBACK.

4. AGREEMENT CAN BE LOOKED UPON BY LABOR AS SUBSTANTIAL GAIN AS 32,000 IKR. INCREASE ADDED TO LOWEST CURRENT WAGE (ABOUT 70,000 IKR.) EXCEEDS 100,000 IKR. MINIMUM DEMANDED BY IFL LAST FALL. HOWEVER, IFL MAINTAINS INFLATION INCREASE SINCE THEN WOULD HAVE RAISED THAT MINIMUM TO 110,000-
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115,000 IKR. IN CURRENT PRICES, AND IN THIS LIGHT CURRENT SETTLEMENT WOULD REPRESENT MODEST COMPROMISE AS WELL ON PART OF IFL SINCE LOWEST PAID WORKERS WILL STILL NOT BE EARNING 100,000 MINIMUM UNTIL NEXT YEAR WHEN FINAL STEP GOES INTO EFFECT.
BLAKE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, LABOR UNIONS, STRIKE SETTLEMENT, CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977REYKJA00815
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770216-0073
Format: TEL
From: REYKJAVIK
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770650/aaaabrnq.tel
Line Count: 103
Litigation Code IDs:
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Litigation History:
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Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Reference: 77 REYKJAVIK 807
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 20-Dec-2004 12:00:00 am
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Review Exemptions: n/a
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Review Release Date: n/a
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SAS ID: 2128213
Secure: OPEN
Status: NATIVE
Subject: LABOR TALKS - PAY INCREASE ISSUE RESOLVED; SOME ISSUES REMAIN
TAGS: ABUD, ELAB, ECON, IC
To: STATE USOECD MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/89d47c7b-c288-dd11-92da-001cc4696bcc
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